

INFORMATION LETTER

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Hearings on Copeland Bill Ended

Senate committee hearings on the Copeland bill (S. 5) to amend the Food and Drugs Act ended on March 9th. Mr. E. B. Cosgrove, chairman of the Legislative Committee of the National Canners Association, who appeared before the subcommittee on March 8th, endorsed the proposed legislation by saying: "As we find the third print of S. 5, the Committee print, we are in almost entire accord with it. We believe that it marks a very definite step in food legislation, and we heartily endorse it."

A further amendment of S. 5 was suggested to the subcommittee by Mr. Cosgrove, which would enable canners whose products may have been seized to obtain representative samples of these products through either an agent or an attorney, thus relieving canners of the necessity of always employing an attorney in order to get samples.

Following the hearing Mr. Cosgrove filed with the subcommittee a supplemental statement setting forth the reasons for the Association's endorsement of the bill.

Present indications are that the bill will be reported out by the Senate Commerce Committee during the coming week.

Hearings on A. A. A. Amendments

Hearings on S. 1807, a bill to amend the Agricultural Adjustment Act identical with H. R. 5585, began before the Senate Committee on Agriculture and Forestry on March 7th and continued through the following week. Mr. H. T. Austern appeared for the National Canners Association on March 12th, presenting the views of the canning industry along the same lines as in his earlier statement to the House Committee on Agriculture. Mr. Herbert E. Gray appeared for the Canners League of California on March 14th to present information with respect to the operation of the cling peach and canned asparagus agreements and the effect of the proposed legislation from the standpoint of experience under these agreements.

Statement on Proposed A.A.A. Amendments Sent to Industry

The statement by Mr. H. T. Austern before the House Committee on Agriculture with respect to the amendments to the Agricultural Adjustment Act proposed in H. R. 5585 has been mailed to all canners.

Mr. Austern appeared before the Committee for the National Canners Association, speaking on behalf of the entire industry. The chief points in his statement were summarized in the **INFORMATION LETTER** for March 2nd, and the complete statement is now made available for the information of all canners.

Missouri Dating Bill Has No Support

As the result of a committee hearing on the bill introduced in the Missouri legislature to require the date of packing to be put on canned food labels, the bill will probably die in committee. Delegations of canners and distributors appeared at the hearing in opposition to the measure. No one spoke for it, and even the member of the legislature who introduced the bill was not present to support it. The committee cut the hearing short and indicated that the bill would be rejected.

Cut-Out Weight of Spinach in No. 10 Cans

The following notice relative to the cut-out weight of spinach in No. 10 cans has been sent to canners and distributors of canned spinach by the Food and Drug Administration under date of March 14.

"The McNary-Mapes fill-of-container standard calls for the minimum proportion of packing medium consistent with the maintenance of quality. The cut-out weight requirements announced in Service and Regulatory Announcements, Chemistry 28, Item 380, issued February 14, 1923, furnish a practical guide as to what is regarded as a proper proportion of packing medium. No question has been raised regarding the validity of these requirements except in the case of No. 10 cans.

"As a result of experiences during the past season, the California State Board of Health has recommended a temporary reduction from 66 ounces to 60 ounces in minimum cut-out weight of canned spinach in No. 10 cans, pending the completion of studies under their direction on necessary modifications of the details in the canning process which will insure the safety of the consuming public against bacterial toxins. Unquestionably, the Food and Drug Administration must pay first regard to public health in considering the relationship between the amount of packing medium and the quality of the finished product.

"Accordingly, this Administration until further notice will not regard spinach in No. 10 cans as containing excessive packing medium unless the cut-out weight falls below 60 ounces. No concern has been expressed as to the validity of the previously announced minimum cut-out weights for the so-called consumer sizes, namely, No. 3, and smaller sizes, and these will, therefore, be retained as previously announced. They are as follows: No. 2: $3\frac{7}{16}$ by $4\frac{9}{16}$ inch sanitary, 13 ounces; No. $2\frac{1}{2}$: $4\frac{1}{16}$ by $4\frac{11}{16}$ inch sanitary (19 ounces), 1 pound, 3 ounces; No. 3: $4\frac{1}{4}$ by $4\frac{7}{8}$ inch sanitary (21.5 ounces), 1 pound, 5.5 ounces."

Senate Passes Rice Processing Tax Bill

The Senate on March 13 passed, with amendments, the bill (H. R. 5221) to amend the Agricultural Adjustment Act so as to fix the processing tax on rice. The House on March 14th concurred in the Senate amendments.

Statement Submitted on Trade Agreement with Italy

In connection with the proposed trade agreement with Italy a statement concerning canned tomatoes and tomato paste was submitted to the Committee for Reciprocity Information on March 4 on behalf of the Canning Code Authority, National Cannery Association, Tri-State Packers Association, Indiana Cannery Association, Utah Cannery Association, Ozark Cannery Association, and Cannery League of California. The statement covered the tariff history of the two products, competitive conditions, recent economic developments affecting the industry and trade, relative prices, present duty and its effect, and effect of reduction of the duty.

U. S. Chamber of Commerce Issues Report on Quality Standards and Grade Labeling

The United States Chamber of Commerce has just published a report of its Domestic Distribution Department Committee on quality standards and grade labeling, which concludes with this statement:

"Your Committee believes that manufacturers and distributors should extend their efforts to inform the public of the important quality characteristics of merchandise by means of complete descriptive labeling wherever practicable. It is important that deceptive labeling and advertising, unintentional though they may be, should be eliminated. Business has made progress in this respect, and should continue to exercise great care to accomplish this desirable end.

"There undoubtedly are products which are susceptible of grading and to which quality standards may be applied to advantage. In such cases industry itself, with only the proper cooperation of government, should establish its own standards. It may be expected that in such cases the interests of the public will be well protected."

Tomato Production Forecast

Production of spring-crop tomatoes in south Florida is expected to be 29 per cent smaller than last year's crop for shipment, or 1,450,000 bushels forecast for 1935 as compared with 2,040,000 bushels in 1934, according to the Bureau of Agricultural Economics. It is about 43 per cent smaller than the total crop in 1934, which included the production used by canners. The product from 3,000 acres was taken by canners

in 1934, and both acreage and production were deducted from the market crop as finally estimated. There is an indicated increase of 12 per cent over the 5-year average (1929-1933) production of 1,291,000 bushels.

A preliminary estimate of 32,000 acres for the three other early districts (Imperial Valley in California, other Florida, and the Lower Rio Grande Valley in Texas) is 37 per cent above the 1934 reported acreage of 23,400 and 21 per cent above the average of 26,540 acres for the preceding five years, 1929-1933. Estimates for the Imperial Valley and the Lower Rio Grande Valley show substantial increases over both the 1934 and the 5-year average acreage. The acreage reported for Florida (other than South) is larger than that in 1934, but considerably smaller than the 5-year average acreage.

Larger Shipments of Winter Vegetables from Mexico

In the first half of January, shipments of winter vegetables from the West Coast of Mexico regained some of the ground that was lost in the last few years, according to the American vice consul at Nogales. About 220 cars crossed the border at Nogales from January 1 to 15, 1935, as compared with 145 cars in the corresponding period in 1934. Of the 220 cars 112 were green peas, 81 tomatoes, 5 green peppers, 2 eggplant, 1 green beans and 19 miscellaneous vegetables. Most of the shipments originated in southern Sonora. The most important producing State, Sinaloa, however, is now in a position to supply vegetables. An excellent crop of tomatoes has matured together with green peas and miscellaneous produce.

The total movement from November 1 to January 15 was 311 cars compared with 282 last season.

Generally speaking, the winter vegetables offered for export during the present season from the West Coast of Mexico have been only fair in quality. Tomato shipments, thus far, are considered to be slightly below par with those of previous years, while the green peas, particularly late shipments, do not compare favorably with those of former years. However, according to information received from local shippers, the present tomato crop in the State of Sinaloa now ready for shipment to the United States is considered to be far superior in quality to those of previous years. This may be attributed to the fact that growing conditions in that State have been unusually favorable since the beginning of the season.

Spinach Acreage Prospects

The estimated acreage of spinach for market and for manufacture in the second early group of states is 13 per cent larger than the 1934 acreage but 7 per cent smaller than the average acreage for the 5-year

period 1929-1933, according to the Bureau of Agricultural Economics. The total acreage of all groups reported to date—fall, early and second early—is 7 per cent larger than last year's acreage and 20 per cent larger than the 5-year average acreage. In 1934, production from 24 per cent of the acreage in the early and second early states was used for canning or manufacture, 26 per cent in the early and 15 per cent in the second early states.

The following table shows the reported acreage of spinach for market and canning in the early and second early states for the years 1929 to 1935:

Year	Market Acres	Canning Acres	Total Acres
1929	44,630	16,930	61,560
1930	41,630	9,350	50,980
1931	42,730	6,800	49,530
1932	42,110	4,770	46,880
1933	57,300	9,230	66,530
1934	47,210	14,590	61,800
1935 (preliminary) .....	....	....	66,270

From indications on March 1st, the production of canning spinach in California this year will be 51,400 tons, which is 37 per cent larger than last year's production of 37,600 tons, and 26 per cent larger than the average production during the five years 1929-1933. The reported acreage for the current year is 12,860 acres, or 4 per cent less than the 13,420 acres in spinach last year, but the yield per acre is expected to be considerably higher.

Asparagus Prospects

The acreage in asparagus now estimated by the Bureau of Agricultural Economics as available for cutting in the three early states (California, Georgia and South Carolina), including the acreage from which canners procure their supplies in California, is 3 per cent smaller than last year's harvested acreage but 8 per cent greater than the average for the 5-year period 1929-1933. Production in the two southern states, Georgia and South Carolina, is expected to be 5 per cent larger than the production in these states in 1934, or 466,000 crates forecast for this year compared with 444,000 crates last year. The reported acreage is the same as in 1934, but yields per acre are expected to be slightly higher than those of last year.

For California the estimate of total acreage in production for 1935 is 70,970 acres, compared with 73,280 acres harvested in 1934, and with a 5-year average of 65,150 acres for the period 1929-1933. Since the yield per acre depends upon how long cutting operations are continued, and since the length of the cutting period depends upon economic conditions, including pending market and packing agreements, it is im-

practicable to forecast at this time the yield per acre of California asparagus in 1935.

The following table shows the acreage and production of asparagus in California for market and for canning from 1929 to 1935:

Year	Acreage			Production		
	Market	Canning	Total	Market	Canning	Total
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>1,000 crates</i>	<i>1,000 crates</i>	<i>1,000 crates</i>
1929	10,250	45,560	55,810	1,097	6,014	7,111
1930	14,790	44,420	59,210	1,834	5,997	7,831
1931	25,070	38,600	63,670	2,507	4,014	6,521
1932	32,670	37,830	70,500	2,875	3,480	6,355
1933	21,280	55,470	76,750	2,003	5,658	7,661
1934	26,160	47,120	73,280	2,302	4,712	7,014
1935 .....	.....	.....	70,970	.....	.....	.....

Canning Asparagus Agreement Given Tentative Approval

A marketing agreement for canning asparagus grown in the State of California has been given tentative approval by Secretary of Agriculture Henry A. Wallace. This agreement provides for correlation with the agreement for fresh asparagus, tentatively approved February 23. It also would provide for the opening of the canning period on March 26 instead of April 1, the opening date last year. With these two exceptions the agreement is similar to the license in operation last year.

The agreement provides for a control committee of 11 members, 5 to be elected by growers, 5 by canners, and 1, neither a grower nor a canner, to be selected by the other 10. One function of the control committee would be to determine and announce the maximum number of cases of canned asparagus which might be packed by canners collectively during the season. This figure would be subject to review by the Secretary of Agriculture. It also would be the duty of the committee to fix the day and hour by which the maximum authorized output could be packed. Canners would be given at least three days' notice to cease canning for the season on that date.

An exception to the opening date of March 26 would be made in the Imperial Valley area, where canning could start March 15. Due to the warm weather prevailing in the Imperial Valley, asparagus grown in that area is not suitable for canning after April 1.

The provisions which link the canning-asparagus and fresh-asparagus agreements are designed to make a large proportion of the total production available for the fresh market up to April 15. From March 26 to March 31 canners would be allowed to pack asparagus only from acreage in excess of the growers' fresh-asparagus prorate. Should there be no prorate, or a prorate of 75 per cent or higher, asparagus would not be canned during the period. From April 1 to April 15 canners would

be allowed to pack asparagus from 50 per cent of each grower's acreage and any asparagus from remaining acreage in excess of the prorate for fresh shipment.

Throughout the season the pack would be limited to three grades of asparagus—No. 1 White, No. 1 four-and-one-half-inch All Green, and No. 1 three-and-one-half-inch All Green.

Fruit and Vegetable Market Competition

CARLOT SHIPMENTS AS REPORTED BY THE BUREAU OF AGRICULTURAL ECONOMICS,
DEPARTMENT OF AGRICULTURE

Commodity	Week ended—			Total for season	
	Mar. 9		Mar. 2	through Mar. 9	
	1934	1935	1935	1934	1935
Vegetables:					
Beans, snap and lima.....	318	344	429	6,161	3,572
Tomatoes	479	250	217	4,168	2,991
Green peas	230	147	186	1,585	1,355
Spinach	375	176	238	4,909	3,429
All other vegetables:					
Domestic—					
Competing directly	5,337	3,002	3,405	74,890	65,609
Competing indirectly	384	576	389	37,749	53,995
Imports—					
Competing directly	30	51	49	688	693
Competing indirectly	32	38	18	256	863
Fruits:					
Citrus, domestic	3,460	3,640	3,979	59,065	68,676
Imports .....	...	2	...	...	2
Others, domestic	221	148	173	15,093	17,858
Index of fresh vegetable prices.....	...	84	85	.....	.....
Index of canned vegetables prices....	...	92	92	.....	.....

Frozen and Preserved Fruits in Cold Storage

The following table shows the holdings of fruit in cold storage reported by the Bureau of Agricultural Economics as of March 1, also a comparison with last year and with a five-year average:

	Mar. 1 1935	Mar. 1 1934	Five-year average
Apples:			
Barrels	339,000	353,000	621,000
Boxes	7,935,000	6,591,000	8,242,000
Baskets	5,000,000	3,923,000	4,000,000
Pears:			
Boxes	283,000	259,000	494,000
Baskets	12,000	56,000	34,000
Frozen and preserved fruits (pounds)....	50,581,000	49,164,000	60,684,000

Stay of Loss-Limitation Clause in Wholesale Grocery Trade Code Continued

The National Industrial Recovery Board has extended for 60 days the stay of the wholesale grocery trade code loss-limitation provisions. The original stay and subsequent renewals were requested because of various arguments and facts submitted through the National-American

Wholesale Grocers' Association. This association maintains that many wholesale grocers purchase from refiners, canners, manufacturers and other first hands large amounts of particular products in anticipation of seasonal requirements. Many times these purchases exceed actual requirements, and the wholesalers, wherever possible, sell at less than cost to other wholesalers or back to first hands all or portions of the surplus. It is submitted that sales of this kind, particularly to other wholesalers, are generally necessary and justified in order to prevent sudden market breaks and in order that wholesalers with surplus stocks may dispose of them without undue losses.

On the other hand, the stayed provision was originally deemed necessary in order to prevent unscrupulous wholesalers from making "dummy" sales between themselves in order to defeat the purpose of the loss-limitation provision. There is, however, a cleavage of opinion within the trade as to how this may best be accomplished, and so far an acceptable proposal has not been presented.

Correction

An error occurred in last week's INFORMATION LETTER, which was probably obvious to most readers from the text of the statement. In the table on page 4375 giving the prices paid to farmers for canning crops in Canada in 1934 and 1930, the headings over the price columns were reversed. The first column actually gave the prices for 1930 and the second column the prices for 1934.

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